

# KRUNGTHAI CARD KTC TB

THAILAND / DIVERSIFIED FINANCIALS

## REDUCE

UNCHANGED

## Decent NP growth, tight valuation

- 1Q22 NP of THB1.7b; soft top line cushioned by good asset quality.
- Auto title loans still lag behind KTC's target.
- Maintain REDUCE, with 2022 GGM-based TP of THB52.

TARGET PRICE	THB52.00
CLOSE	THB59.25
UP/DOWNSIDE	-12.2%
TP vs CONSENSUS	-13.2%

### 1Q22 results exceed expectations on lower provisions

KTC reported a 1Q22 net profit of THB1,747m (+7% y-y, +40% q-q), which was higher than BBG's consensus estimate and our forecast by 9% and 11%, respectively, thanks to lower provisions. The recovery in KTC's 1Q22 net profit was driven by a decline in its provisions, in our view. NPLs fell 3% q-q due to its stringent credit controls and the gradual economic recovery. However, KTC still delivered a weak top line, with operating income flat y-y and -3% q-q. Despite the 8% y-y recovery in 1Q22 credit card spending, its NII continued to drop, with loan volume down 2.6% q-q and a lower NIM thanks to the slow growth of high-yield personal loans in past quarters. Its fee income increased at only a minimal rate, dragged down by a significant drop in debt collection fees.

### Auto title loans will likely take time to improve

We expect KTC to accelerate its auto title loan portfolio in 2022 with a new lending target of THB11.5b. However, 1Q22 results fell short, with an outstanding portfolio of cTHB500m, up from THB400m in 4Q21. We think it will be difficult for KTC to ramp up its portfolio as auto title lending is very competitive. There are three big operators with a presence countrywide while KTC has only a few branches. Although KTC plans to use KTB's branches to reach its target customers upcountry, we think bank employees are unlikely to be as aggressive as those of non-bank operators. Also, even though KTC has innovative products like its cash card, its apparent inability to penetrate the customer base shows that KTC still lags behind TIDLOR, which also has a cash card product. As a result, we think it could take more time to build coverage.

### Minimal growth expected in 2Q22

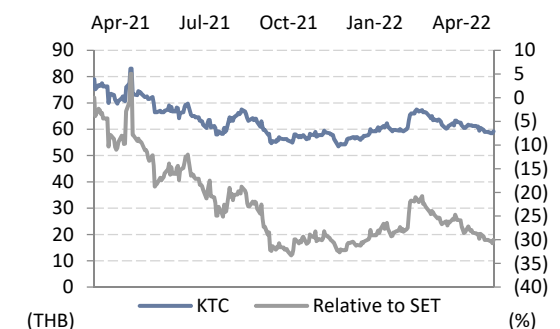
Although we expect stronger credit card and person loan growth in 2Q22, KTC's 2Q22 net profit should increase minimally y-y (flat q-q). We think its NIM should remain at a low level as KTC just switched to risk-on mode for personal loans and it could take 3-6 months to ramp up its NIM. Also, we expect its debt collection fees to decline continuously. KTC's net profit momentum growth should be stronger in 2H22, in our view.

### Maintain REDUCE at TP of THB52 due to tight valuation

We maintain our REDUCE call. We think KTC trades at a demanding valuation. It might be back on our radar if its auto title loan portfolio skyrockets and its earnings show substantial growth in 2H22.

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	7,627	8,787	9,623	10,873
Net profit	5,879	6,952	7,614	8,603
EPS (THB)	2.28	2.70	2.95	3.34
vs Consensus (%)	-	3.0	1.3	5.2
Core net profit	6,251	6,952	7,614	8,603
Core EPS (THB)	2.42	2.70	2.95	3.34
EPS growth (%)	17.2	11.2	9.5	13.0
Core P/E (x)	24.4	22.0	20.1	17.8
Dividend yield (%)	1.6	1.9	2.0	2.3
Price/book (x)	5.7	4.9	4.3	3.8
ROE (%)	25.2	24.1	22.9	22.7
ROA (%)	6.8	7.5	7.4	7.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.6)	(0.8)	(24.8)
Relative to country (%)	(5.7)	(2.2)	(29.3)
Mkt cap (USD m)	4,528		
3m avg. daily turnover (USD m)	13.9		
Free float (%)	21		
Major shareholder	Krung Thai Bank (49%)		
12m high/low (THB)	84.75/52.75		
Issued shares (m)	2,578		

Sources: Bloomberg consensus; FSSIA estimates



**Yuvanart Suwanumchai**

yuvanart.suw@fssia.com  
+66 2611 3554

## Lower provisions helped 1Q22 results beat expectations

KTC reported a 1Q22 net profit of THB1,747m (+7% y-y, +40% q-q), which was higher than the Bloomberg consensus estimate and our forecast by 9% and 11%, respectively, thanks to lower provisions. We think the recovery in KTC's 1Q22 net profit was driven by the decline in its provisions. NPLs fell 3% q-q due to its stringent credit controls and the gradual economic recovery which is improving the debt servicing ability of its clients. However, the company still delivered a weak top line, with operating income flat y-y and -3% q-q. Despite the 8% y-y recovery in 1Q22 credit card spending, its NII continued to drop in line with a decline in loan volume of 2.6% q-q and a lower NIM thanks to the slow growth of high-yield personal loans in the past several quarters. Its fee income increased at only a minimal rate, dragged down by a significant drop in debt collection fees after new debt collection fee rules were implemented in Sep-22. We read KTC's overall performance as neutral.

### Exhibit 1: KTC – 1Q22 results summary

Year end Dec 31	1Q21	4Q21	1Q22	---- Change ----		2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	
Net interest income	3,034	3,048	2,979	(2)	(2)	13,133	8	
Non-interest income	1,994	2,122	2,045	3	(4)	8,522	9	Pressured by debt collection fee income
<b>Operating income*</b>	<b>5,027</b>	<b>5,170</b>	<b>5,023</b>	<b>(0)</b>	<b>(3)</b>	<b>21,655</b>	<b>8</b>	
Operating expenses	1,779	1,923	1,798	1	(7)	7,480	2	
<b>PPOP before tax*</b>	<b>3,248</b>	<b>3,247</b>	<b>3,225</b>	<b>(1)</b>	<b>(1)</b>	<b>14,175</b>	<b>12</b>	
Expected credit loss	1,187	1,460	1,045	(12)	(28)	5,388	6	
Income tax	412	290	436	6	50	1,757	20	
Minority interest	15	(124)	(3)			77		
<b>Normalised profit</b>	<b>1,634</b>	<b>1,620</b>	<b>1,747</b>	<b>7</b>	<b>8</b>	<b>6,952</b>	<b>11</b>	
Extraordinary items	0	(372)	0			0		One-off ECL from KTB Leasing in 4Q21
<b>Net profit</b>	<b>1,634</b>	<b>1,248</b>	<b>1,747</b>	<b>7</b>	<b>40</b>	<b>6,952</b>	<b>18</b>	<b>Beat BBG consensus by 9%</b>
EPS (THB)	0.63	0.48	0.68	7	40	2.70	18	
<b>Asset quality ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
NPLs (THB m)	1,661	3,317	3,205	93	(3)	3,516	6	
NPLs / Loans	1.92	3.60	3.58			3.50		NPL ratio to significantly increase y-y due to the consolidation of KTB Leasing
Loan loss reserve/NPLs	442	292	304			229		
Credit cost (bps)	525	654	460			560		
<b>Profitability ratio</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
Cost to income ratio	35.4	37.2	35.8			34.5		
Average yield	14.9	15.2	14.6			14.9		
Cost of fund	2.6	2.6	2.6			2.6		
Net interest margin (NIM)	13.4	13.7	13.1			13.6		
Non-interest income / total income	39.7	41.1	40.7			39.4		
<b>Loan growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>		
y-y	5.9	(2.8)	3.8			9.1		
q-q	(8.8)	6.4	(2.6)					

\*Excluding share of profits from associates

Sources: KTC; FSSIA estimates

## Financial Statements

### Krungthai Card

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	14,302	13,614	14,614	16,403	18,398
Interest expense	(1,560)	(1,416)	(1,481)	(1,648)	(1,820)
Net interest income	12,742	12,198	13,133	14,755	16,578
Net fees & commission	4,616	4,293	4,866	5,109	5,364
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	1	11	11	11	11
Other income	3,533	3,534	3,646	3,727	3,811
Non interest income	8,150	7,838	8,522	8,847	9,186
Total income	20,892	20,036	21,655	23,601	25,764
Staff costs	(7,283)	(7,064)	(7,205)	(7,566)	(7,869)
Other operating costs	(240)	(262)	(275)	(283)	(291)
Operating costs	(7,523)	(7,326)	(7,480)	(7,849)	(8,160)
Pre provision operating profit	13,369	12,711	14,175	15,752	17,603
Provision for bad and doubtful debt	(6,489)	(5,084)	(5,388)	(6,129)	(6,730)
Other provisions	-	-	-	-	-
Operating profit	6,880	7,627	8,787	9,623	10,873
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	(372)	0	0	0
Profit before tax	6,880	7,255	8,787	9,623	10,873
Tax	(1,372)	(1,467)	(1,757)	(1,925)	(2,175)
Profit after tax	5,508	5,789	7,029	7,699	8,698
Minority interests	(175)	90	(77)	(85)	(96)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	5,333	5,879	6,952	7,614	8,603
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	5,333	6,251	6,952	7,614	8,603
<b>Per share (THB)</b>					
Recurring EPS *	2.07	2.42	2.70	2.95	3.34
Reported EPS	2.07	2.28	2.70	2.95	3.34
DPS	0.88	0.93	1.11	1.21	1.37
<b>Growth</b>					
Net interest income (%)	5.8	(4.3)	7.7	12.4	12.4
Non interest income (%)	(9.6)	(3.8)	8.7	3.8	3.8
Pre provision operating profit (%)	0.2	(4.9)	11.5	11.1	11.8
Operating profit (%)	(0.3)	10.9	15.2	9.5	13.0
Reported net profit (%)	(3.5)	10.2	18.3	9.5	13.0
Recurring EPS (%)	(3.5)	17.2	11.2	9.5	13.0
Reported EPS (%)	(3.5)	10.2	18.3	9.5	13.0
<b>Income Breakdown</b>					
Net interest income (%)	61.0	60.9	60.6	62.5	64.3
Net fees & commission (%)	22.1	21.4	22.5	21.6	20.8
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	0.0	0.1	0.0	0.0	0.0
Other income (%)	16.9	17.6	16.8	15.8	14.8
<b>Operating performance</b>					
Gross interest yield (%)	15.84	14.57	15.18	15.59	15.91
Cost of funds (%)	2.67	2.48	2.59	2.65	2.70
Net interest spread (%)	13.17	12.09	12.59	12.94	13.21
Net interest margin (%)	14.1	13.1	13.6	14.0	14.3
Cost/income(%)	36.0	36.6	34.5	33.3	31.7
Cost/assets(%)	8.6	8.1	7.9	7.5	7.1
Effective tax rate (%)	19.9	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	42.5	38.6	41.0	41.0	41.0
ROE (%)	25.1	25.2	24.1	22.9	22.7
ROE - COE (%)	14.3	14.4	13.3	12.1	11.9
ROA (%)	6.2	6.8	7.5	7.4	7.6
RORWA (%)	-	-	-	-	-

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krungthai Card; FSSIA estimates

## Financial Statements

### Krungthai Card

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	94,697	92,047	100,385	110,048	121,237
Total provisions	(9,961)	(9,692)	(8,053)	(7,029)	(8,910)
interest in suspense	211	588	602	660	0
<b>Net customer loans</b>	<b>84,947</b>	<b>82,943</b>	<b>92,934</b>	<b>103,680</b>	<b>112,327</b>
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	73	83	0	0	0
Cash & equivalents	2,197	2,363	2,091	934	2,878
Other interesting assets	-	-	-	-	-
Tangible fixed assets	496	415	347	290	242
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	3,881	3,666	3,768	4,063	4,389
<b>Total assets</b>	<b>91,594</b>	<b>89,470</b>	<b>99,140</b>	<b>108,966</b>	<b>119,836</b>
Customer deposits	0	0	0	0	0
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	59,482	54,555	59,725	64,643	70,000
Non interest bearing liabilities	8,000	7,832	8,224	8,635	9,067
Hybrid Capital	-	-	-	-	-
<b>Total liabilities</b>	<b>67,482</b>	<b>62,387</b>	<b>67,949</b>	<b>73,278</b>	<b>79,067</b>
Share capital	2,578	2,578	2,578	2,578	2,578
Reserves	20,221	24,258	28,360	32,852	37,927
<b>Total equity</b>	<b>22,799</b>	<b>26,836</b>	<b>30,938</b>	<b>35,430</b>	<b>40,506</b>
Minority interests	1,313	248	253	258	263
<b>Total liabilities &amp; equity</b>	<b>91,594</b>	<b>89,471</b>	<b>99,140</b>	<b>108,966</b>	<b>119,836</b>
<b>Supplementary items</b>					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	90,304	93,450	96,258	105,217	115,642
Average interest bearing liabilities	58,511	57,018	57,140	62,184	67,322
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	1,598	3,317	3,516	3,692	4,061
<b>Per share (THB)</b>					
Book value per share	8.84	10.41	12.00	13.74	15.71
Tangible book value per share	8.84	10.41	12.00	13.74	15.71
<b>Growth</b>					
Gross customer loans	10.3	(2.8)	9.1	9.6	10.2
Average interest earning assets	10.1	3.5	3.0	9.3	9.9
Total asset (%)	8.7	(2.3)	10.8	9.9	10.0
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	nm	nm	nm	nm	nm
<b>Leverage &amp; capital measures</b>					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	24.9	30.0	31.2	32.5	33.8
Tangible equity/assets (%)	24.9	30.0	31.2	32.5	33.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
<b>Asset Quality</b>					
Change in NPL (%)	75.6	107.6	6.0	5.0	10.0
NPL/gross loans (%)	1.7	3.6	3.5	3.4	3.3
Total provisions/gross loans (%)	10.5	10.5	8.0	5.8	7.3
Total provisions/NPL (%)	623.3	292.2	229.0	190.4	219.4
<b>Valuation</b>					
Recurring P/E (x) *	28.6	24.4	22.0	20.1	17.8
Recurring P/E @ target price (x) *	25.1	21.4	19.3	17.6	15.6
Reported P/E (x)	28.6	26.0	22.0	20.1	17.8
Dividend yield (%)	1.5	1.6	1.9	2.0	2.3
Price/book (x)	6.7	5.7	4.9	4.3	3.8
Price/tangible book (x)	6.7	5.7	4.9	4.3	3.8
Price/tangible book @ target price (x)	5.9	5.0	4.3	3.8	3.3

\* Pre-exceptional, pre-goodwill and fully diluted

Sources: Krungthai Card; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description	Score Range
Excellent	90-100
Very Good	80-89
Good	70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

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\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

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**ANALYST(S) CERTIFICATION**

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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**History of change in investment rating and/or target price**

**Krungthai Card (KTC TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jul-2020	HOLD	33.00	19-Jan-2021	REDUCE	50.00	11-Apr-2022	REDUCE	52.00
14-Sep-2020	HOLD	32.00	19-Jul-2021	HOLD	73.00			
17-Nov-2020	HOLD	44.00	18-Oct-2021	HOLD	52.00			

Yuvanart Suwanumphai started covering this stock from 16-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Krungthai Card	KTC TB	THB 59.25	REDUCE	Upside risks to our GGM-derived TP include: 1) stronger-than-expected growth for KTB Leasing; and 2) better-than-expected bad debt recovery.

Source: FSSIA estimates

**Additional Disclosures**

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 20-Apr-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.